



**Caltrans Statewide Small Business Council
April 20, 2007 Meeting Minutes**

**Caltrans, Office of Civil Rights
1823 14th Street
Sacramento, CA
Telephone: (916) 324-0449**

Statewide Council Members Present:

Chaudhary, Arvin – CELSOC
Garcia, Rodrigo – SHPE
Guerrero, Paul – CA SBE
Hou, Johnathan – ABA
Jordan, Fred – SFBCC
Lee, Jackson J. – AIA
LaCome, Diana – NCA
Lau, Eddy – AA&E
Llewellyn, Rebecca – WCOE
Patten, Ezekiel – BBA

Caltrans Staff Present:

Kempton, Will – Director
Fonseca, Olivia – Deputy Director, Civil Rights
Carrera, Angel – Civil Rights
Caudle, Morris – District 6
Collins, Louis – Construction
Delgado, Marilyn – Civil Rights
Effinger, Robert – Construction Chief
Failing, Doug – Director, District 7
Galia, Cris – DPAC
Garcia, Bacilio – Civil Rights
Germaine, Gordon – District 10
Goto, Doug – DPAC
Mason, Anne – Civil Rights
McAlister, Karen – Civil Rights
Padilla, Robert – Civil Rights
Peterson, Jerold – Division Project Management
Wallace, Sam – BT&H Agency

Guests:

Blackman, Herman
Brewer, Berianna – HDR
Davis, Sara – GCAP Services
Forrest, Jacquelyn – CA DVBE Alliance for S. Sullivan
Giordano, Theresa – Executive Director, AEA
Hernandez, Anthony – CH2M Hill
Padilla, Pat – DBE Consultant, SR 125 Design Build Project
Mandel, Dan – Parsons Brickerhoff Construction
McCray, Algerine

Guest Speaker:

Chittenden, Ross – Program Manager Prop 1B - Caltrans

Welcome/Introductions/Opening Remarks

Chair Fonseca welcomed all attendees and announced that Director Kempton is at Granite Construction for Construction Career Awareness Day. Council Member Stephan McGlover and Council Member Diana LaCome are there as well, with a number of youths, including female participants. Director Kempton is expected to arrive for the SBC meeting at approximately 10:30 a.m. Chair Fonseca asked the attendees to introduce themselves.

Chair Fonseca noted that due to a mix up, March minutes are not in the meeting packet for review. With apologies she stated that SBC minutes for March will be in the May meeting packet, along with the April minutes for review and approval.

Chair Fonseca identified contents of the SBC meeting packets as follows:

- Disparity Study Letter on Public Hearings
- Caltrans web site, "Doing Business with Caltrans"
- Memorandum on A& E contracts to District Directors from Richard Land, Caltrans Chief Engineer
- Article from sfgate.com on "State's highest court says Caltrans can use private contractors"
- DGS Notice of Proposed Rulemaking Amendment to Title 2
- Flyer from Granite Construction on "Greater Sacramento Construction Career Awareness Day"
- Announcement of Business Procurement Fair – Districts 7 & 12
- Tentative 12-Month Advertising List

Council Member Eddy Lau distributed copies of an e-mail, titled: "Coral Construction Appeal". Council Member Rebecca Llewellyn presented a handout on the "Sixth Annual Underground Economy/Prevailing Wage Enforcement Conference".

Chair Fonseca welcomed Sam Wallace. Mr. Wallace noted that the outreach event held on March 23rd at Oakland should be a plan for the rest of the State to coordinate with other cities and districts from Los Angeles, Anaheim, San Diego, Sacramento and Santa Clara. Mr. Wallace discussed recent events and upcoming events in which he has participated in. Mr. Wallace requested SBC Council Members to be available for events taking place next Monday and Tuesday, April 23 and 24, which will include panels discussing problems SB's have in dealing with Prime Contractors. The new Secretary for Business Transportation and Housing Agency (BT&H), Dale E. Bonner met with Director Kempton and has been briefed on SB and DVBE outreach activity. Future meetings will be combined with the Governor's Office and Legal to discuss the Race-Neutral Program. Mr. Wallace announced a move to reconstruct the Partnership Council and he wants a list of this Council's membership to participate in regional and District meetings to bring out what is happening with SB's. Mr. Wallace noted the next meeting with DGS is June 5, 2007 to increase SB participation. Council member Paul Guerrero noted that the meeting will be to plan forward what DGS needs to do. Mr. Wallace has an Adhoc Advisory Group that helps steer him through issues. Mr. Wallace responded that some organizations do charge, but his events are usually at public facilities with no charge geographic areas and their issues. Council Member Jackson Lee asked if there is any charge to attend Events. Occasionally his events are partnered with organizations that do charge. Caltrans sponsored events have no charge.

Chair Fonseca introduced Director Kempton who arrived. Director Kempton noted an article in the Business Section of today's Sacramento Bee about the on-going Disparity Study. Director Kempton mentioned one flaw in the article: it gave the misimpression that Proposition 209 was the impetus for conducting the Study. Director

Kempton noted that he is meeting regularly with the Executive Committee of the SBC. Director Kempton encouraged the SBC to read the Disparity Study when it is available and requested comments about it. Director Kempton mentioned that additional hearings are scheduled for next week and he encouraged SBC members to participate in them. Director Kempton complimented Mr. Wallace on his "Ten Points on Doing Business with the State", which Mr. Wallace shares with groups he addresses. Council Member Guerrero complimented Chair Fonseca for her work on facilitation of the public hearings, telling Director Kempton, "You should be proud of the presentations by Caltrans." Director Kempton acknowledged staff for their work on the hearings. Director Kempton announced he was at the "Greater Sacramento Construction Career Awareness Day" sponsored by Granite Construction with 1500 youth attending, today. The career construction industry plans to recruit youth from today's event for student internship programs. Council Member Llewellyn mentioned that in the Executive Committee meeting with Director Kempton, they did not get to discuss insurance issues. Council Member Llewellyn referenced problems with subcontracting small businesses having to come up with the same level of insurance as the Prime Contractors. Director Kempton stated that he thought Small Businesses had been relieved of that and are required to insure only up to the level of their involvement. Director Kempton stated he will speak with Bob Pieplow and he apologized if it is not clear. Director Kempton announced that Chair Fonseca is now involved with Civil Rights issues on a national level, and is the newly elected Chair for the Civil Rights Subcommittee of WASHTO, and will be a presenter for WASHTO at the upcoming 2007 National Transportation Summit. In addition, director Kempton noted that Civil Rights played a big role in putting together the Granite Construction event today.

ITEM #2: Statewide Committee Reports

Professional Services: No new action item reported.

Commodities Committee: No new action item reported.

Construction Committee: No new action item reported.

Legislative Committee: Reported bills of interest are SB 237 (Dutton), SB 738 (Calderon), AB 1695 (Bass), AB 608 (Swanson), SB 56 (Runner), AB 1499 (Garrick), AB 1337 (Nava) and AB 1400 (Richardson).

Executive Committee: Chair Fonseca reported new action items, 1) Minor B bid opening to be held at the Districts, and 2) Can Caltrans apply a Local Hiring Preference on Caltrans construction contracts.

ITEM #3: District, SR 125 and Disparity Study Updates

District 6: Morris Caudle, DSBL, reported the Fresno Procurement Fair was successful with \$131,000 in purchases. Mr. Caudle partnered with Caltrans Maintenance Division and received good feedback on the event.

District 7: District 7 Director, Doug Failing reported their Procurement Fair is May 15, 2007.

SR 125: Pat Padilla, representing the SR125 South Design Build Projects (Gap/Connector and Toll Road) developer, South Bay Expressway, reviewed the status of DBE participation in contrast to the respective DBE overall Project Goals on Gap Connector project. \$37 million DBE as of February 2007. Ms. Padilla reported the DBEs at \$20 million (54%), with Gap Connectors 14% (vs. 15% commitment); with 60% DBE commitment of \$9 million.

Disparity Study Update: Robert Padilla, Disparity Study Project Manager, reported over 900 pages of testimony was gathered in 14 public hearings. Six industry forums will be held next week (three each scheduled on April 24 and 25). The industry forums are for the communities represented by the SBC, who are urged to seek participation from their membership. In addition to the hearings, the contractor has arranged for direct

telephone contact to seek comments. E-mail messages are requested from those unable to attend a hearing in person. Up to 1500 pages of input is anticipated and all testimony will be included in the study. Chair Fonseca also stressed that the testimony will be shared with other agencies receiving transit funds. Chair Fonseca stated that on July 1 it is expected that the Department will send the Final Report to the Federal Highway Administration (FHWA) for their review and approval. Director Kempton will review it with Legal Counsel and has stated that very soon after approval it will be implemented, but the decision on approval is up to the FHWA. Council Member Lau asked how long did Washington State takes to reinstate their DBE Program to race –conscious. Chair Fonseca said it took approximately 15 months to return to a race-conscious program. Council Member Llewellyn complimented Caltrans on administering Disparity Study process noting that all want it to happen, but that it has to be done carefully.

ITEM #4: Infrastructure Bond 1B

Ross Chittenden, Caltrans Program Manager for Prop 1B, discussed information he made available in handouts on “Governor Arnold Schwarzenegger’s Strategic Growth Plan: Transportation Investments for Mobility and Quality of Life”, consisting of “Proposition 1B – Highway Safety, Traffic Reduction, Air Quality, and Port Security”, and “Proposition 1B – Transportation Bond” (see handouts).

Councilmembers requested a copy of the Governor’s Executive Order on Accountability Requirements for the bonds that were passed in November 2007. Chair Fonseca invited Mr. Chittenden to return to the July meeting and provide an update on the Proposition 1B website.

Council Member Lau asked if the small business goal of 25% would apply to local funded projects as recipients of proposition 1B funds. Mr. Chittenden indicated the proposition makes no mention of a 25% small business goal for local projects. Mr. Wallace indicated he wants to make a presentation to the California Transportation Commission and address small business participation on the proposition funds.

ITEM #5: Public Comment/Good of the Order

Chair Fonseca announced that District 6 is starting a District Small Business Council and the next Statewide Small Business Council meeting will be in Fresno, California.

Next meeting

Friday, May 18, 2007, 8:30 A.M.

Caltrans District Office

Manchester Mall, 2015 E Shields, Suite 100, Yosemite Room #145

Fresno, CA 93728

Approved by:

OLIVIA FONSECA

Deputy Director, Office of Civil Rights

California Department of Transportation